

## Second Consecutive Year of Record Revenues

### ASX Announcement

28 February 2023

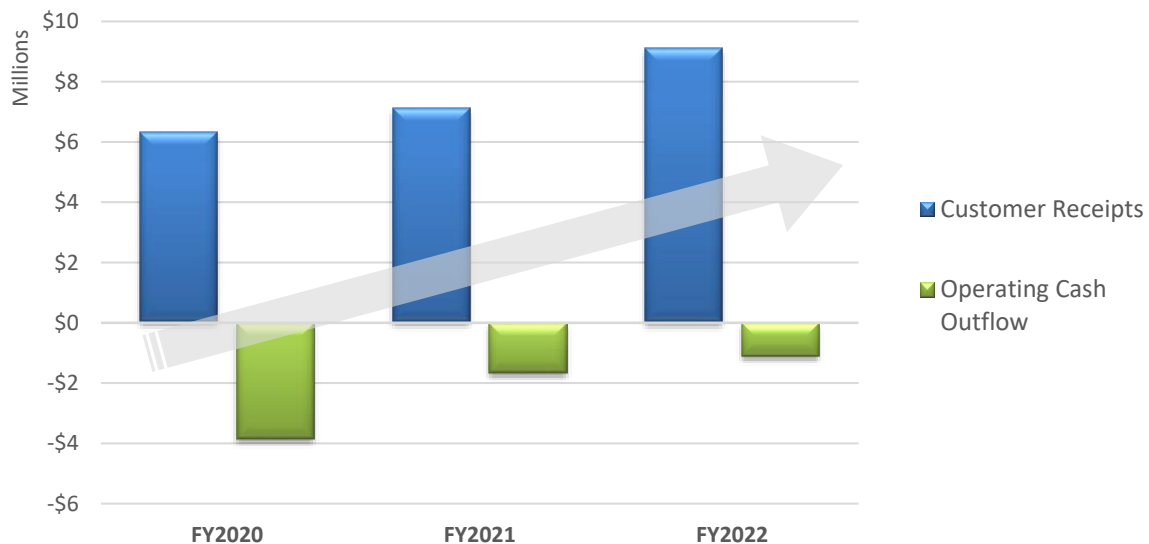
### Highlights

- Holista delivers second consecutive year of record revenue in FY22 of \$8.2m
- Credible NPAT result in a high inflation and interest rates environment (net loss in FY22: \$1.5m vs FY21: \$1.4m)
- Healthy Food Ingredients division posted strongest revenue growth of 38% over FY21, while Dietary Supplements was largely flat due to a temporary December quarter slowdown, although sales have rebounded since the start of 2023
- Diverse offering and client base provides resilient platform to grow sales
- Positive outlook with additional potential opportunity from the reopening of the Chinese economy

Holista Colltech Limited (ASX: HCT, “Holista” or “the Group”) is pleased to provide the following commentary in respect to its unaudited FY2022 full year results for the year ended 31 December 2022.

Holista and its consolidated entities delivered its second consecutive year of record sales as FY2022 revenue hit \$8.2 million, which is circa 3% above the previous corresponding period (pcp) being FY2021. The improved result was achieved in an environment with high inflation and rising interest rates weighing on consumer sentiment and driving up input costs.

### Uptrend in Op Cash Flow



In light of these challenges, particularly rising costs, Holista was still able to deliver a credible bottom line performance with the Group posting an after-tax net loss of \$1.5 million versus a decline from the \$1.4 million net loss reported in FY2021.

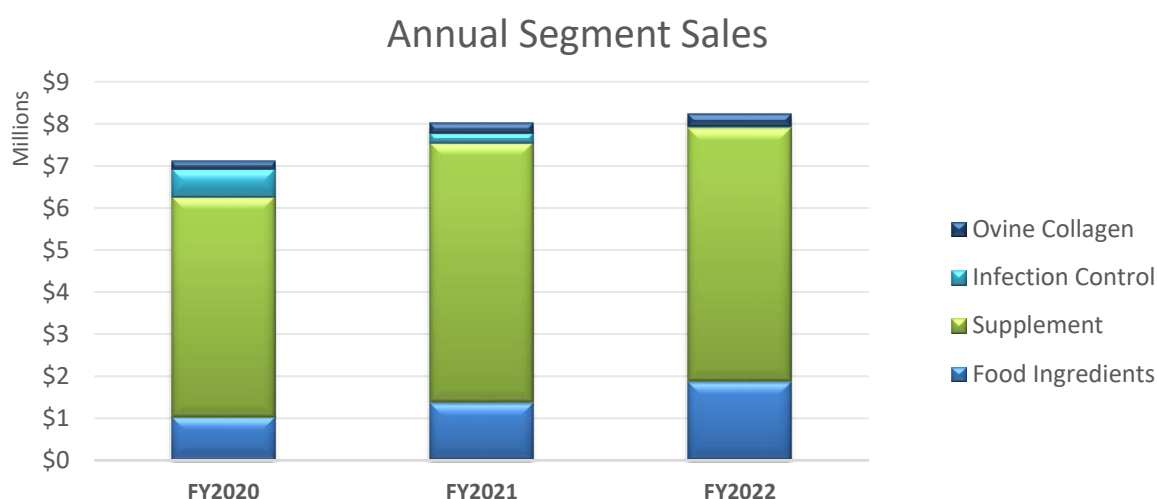
Importantly, FY2022 operating cash flow was \$557K ahead of the pcp, as cash receipts jumped 28% over the pcp, while payments increased by a slower pace of 16% over the pcp.

## Divisional Performance

Holista's diverse product range that is sold in multiple markets and to customers from various industries provides the Group with a relatively stable and resilient platform to grow sales.

The division that posted the strongest year-on-year sales growth was Health Food Ingredients, which recorded revenues of \$1.9 million which was 38% higher than the pcp, and 83% over the past two pcps.

The growth was driven by demand for Holista's unique 80Less™ healthy sugar substitute from food and drinks manufacturer Rex Industry Berhad, and Holista's patented GI Lite™ premix from US-based baked goods supplier Costanzo's Bakery, Inc. and HWH International.



Meanwhile, Holista's Dietary Supplements division continues to be the largest contributor to Group revenue. Sales were largely flat over the pcp at just over \$6 million the division was up by 15% over two pcps.

This division would have reported growth if not for an unexpected but temporary drop in sales in the fourth quarter. As explained in the latest quarterly Activities Report, released to ASX on 31 January 2023, December quarter sales were impacted by economic uncertainty stemming from rising interest rates as well as the Malaysian elections, which weighed on consumer spending across the economy, although sales of the Group's leading supplements have started to rebound in January.

Holista's Ovine Collagen division grew sales of its unique and patented offering by 23% over the pcp to \$306K (+77% over two pcps) due to its binding sales contract with leading cosmetics manufacturer Behn Meyer Thailand, which runs through to end of this year.

Infection Control is Holista's smallest and newest division (established in 2020). Sales of its all-natural sanitisers to consumers have waned as the world is learning to live with COVID-19 with sales declining to \$23K from \$227K in the pcp. To mitigate this downturn, Holista has been focusing on commercial/industrial applications for its technology, although the lead times for B2B sales are significantly longer.

Having said that, Holista believes that the Infection Control division will not impact on its ability to grow Group revenue, while the reopening of the Chinese economy may provide opportunities for both the Ovine Collagen and Infection Control divisions.

## Revisiting Opportunities in China

Holista's previous attempts to enter the Chinese market through partnerships had been stalled by the country's pandemic controls. But with the Chinese economy reopening following the end of the government's "Zero Covid" policy, there has been encouraging progress with the following projects:

- **Collagen**  
Activities with Guangzhou Sinbio Cosmetic Co Ltd, a Chinese State-Owned Enterprise (SOE), have now recommenced with the shipment of more collagen (now approved for import into China) for product development and testing. The next shipment will be despatched from Perth as opposed to Kuala Lumpur, Malaysia.
- **Natshield™ / Protectene**  
The products are currently being developed for the Chinese market and are pending registration with China's regulators. Holista's all-natural products can be used as sanitisers, nasal balms, and as a consumable in the M3 system, which is developed to disinfect quarantine centres, offices, homes, and cars (hardware prototypes are undergoing testing).

## Outlook

While there are several headwinds buffeting the global economy, Holista believes it is well placed to overcome the challenges and that the Group's short and longer-term outlook is generally positive. This view is based on the following factors:

- **Organic growth in key markets:** Holista's largest divisions are leveraged to fast growing markets due to growing demand for health products. For instance, the global health food ingredients market is forecasted to grow at a compound annual growth rate (CAGR) of 7.8% from 2022 to 2027 to reach US\$146.3 billion<sup>1</sup>, while the global vitamins and supplements market is forecast to grow at a CAGR of 6.1% from 2021 to 2028 to hit US\$196.6 billion<sup>2</sup>.
- **Potential peak in inflation:** Cost pressures are starting to ease from 2022. If this trend continues, as many economists are forecasting, it will be a positive development for Holista's margins and will better position the Group to deliver further operating cash flow increases in the current financial year.
- **Rebound in Dietary Supplement Division:** As outlined above, there has been a marked improvement in sales of Holista's market-leading supplements in Malaysia following the soft December quarter. The rebound in January has persisted and management is anticipating a stronger result for this division (which is the largest cash contributor of the Group) in the current quarter, if not beyond.
- **Reopening of the Chinese economy:** The return to business-as-usual in China should open new growth avenues for Holista, as outlined in the section above. While the success of these endeavours by Holista's partners are not essential to drive further growth for the Group, these opportunities could add significant scale to Holista over

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<sup>1</sup> <https://www.marketsandmarkets.com/Market-Reports/health-ingredients-market-69194289.html>

<sup>2</sup> <https://www.fortunebusinessinsights.com/vitamins-and-supplements-market-104051>

the medium to longer-term and does not require any significant investment on Holista's part to pursue.

This announcement has been approved by the Board of Directors.

**-ENDS-**

### **About Holista Colltech Limited**

Holista Colltech Ltd ("**Holista**" or "the **Company**") is an innovator in health and wellness solutions based in Perth, Western Australia. It is listed on the Australian Securities Exchange (ASX:HCT).

Holista's core business divisions are Dietary Supplements, Healthy Food Ingredients, Ovine Collagen and Infection Control Solutions. The suite of health and food related solutions, combines the best of nature and science to address evolving needs in order that people may live better and healthier lives.

Key products include one of the market-leading and best-selling health supplements, low-GI food ingredients used by leading food manufacturers, disease-free ovine collagen, all-natural and non-toxic effective sanitisers for consumers and industrial applications.

Over the years, the company has successfully developed and patented world-leading technologies in the field of Global Health and Wellness Industry.

Holista is passionate about combining economic success with enriching lives for a sustainable future.

### **For further information, please contact:**

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M: +65 6721 7161

**Holista Colltech Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity: Holista Colltech Limited  
ABN: 24094515992  
Reporting period: For the year ended 31 December 2022  
Previous period: For the year ended 31 December 2021

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	up	2.7% to	8,241,225
Loss from ordinary activities after tax attributable to the owners of Holista Colltech Limited	up	15.7% to	(1,452,902)
Loss for the year attributable to the owners of Holista Colltech Limited	up	15.7% to	(1,452,902)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,452,902 (31 December 2021: \$1,256,209).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.52</u>	<u>1.03</u>

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**4. Control gained over entities**

Not applicable

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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**Holista Colltech Limited**  
**Appendix 4E**  
**Preliminary final report**

**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Australian Accounting Standards

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):* Not Applicable

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**11. Attachments**

Details of attachments (if any):

The Preliminary Final Report of Holista Colltech Limited for the year ended 31 December 2022 is attached.

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**12. Signed**



Jay Stephenson Company Secretary

Date: 28 February 2023

## **Company Update**

### **Group Operations Review:**

Holista Colltech Limited (Holista or the Company) posted a 3% increase in Group revenue to \$8.2 million, which is the second consecutive yearly record for the Company, as net loss after tax came in at \$1.5 million compared with \$1.4 million in the previous year.

The results were achieved in a period of heightened uncertainty as Holista overcame the challenges created by high inflation, rising interest rates and volatile consumer sentiment.

During the 2022 financial year (FY2022), Holista and its controlled entities (the Group) focused on the following four core business areas:

- Healthy Food Ingredients;
- Dietary Supplements;
- Ovine Collagen; and
- Infection Control Solutions.

### **Healthy Food Ingredients:**

Holista's Healthy Food Ingredients division posted the strongest year-on-year sales growth within the Group. Sales increased by 38% over the previous corresponding period (pcp) to \$1.9 million, or 83% over the past two years.

The growth was driven by demand for Holista's unique 80Less™ healthy sugar substitute from food and drinks manufacturer Rex Industry Berhad and Holista's patented GI Lite™ premix from US-based baked goods supplier Costanzo's Bakery, Inc. and HWH International.

### **Dietary Supplements:**

The Company's Dietary Supplements business division continued to be the largest income contributor to the group. Revenue from this division declined 2% over the pcp to \$6 million, although it is up by 15% over the past two years.

This division experienced an unexpected but temporary drop in sales in the fourth quarter in Malaysia as it was impacted by economic uncertainty stemming from rising interest rates and the Malaysian elections, which weighed on consumer spending across the economy, although sales of the Group's leading supplements have started to rebound since January.

### **Ovine Collagen:**

Holista's Ovine Collagen division grew sales of its unique and patented offering by 23% over the pcp to \$306K (+77% over two years) as it has a binding sales contract with leading cosmetics manufacturer Behn Meyer Thailand, which runs through to end of this year.

### **Infection Control Solutions:**

Holista's Infection Control Solutions business division posted a decline in revenue to \$23K in FY2022 from \$227K in FY2021. Infection Control is Holista's smallest and newest division (established in 2020). Sales of its all-natural sanitisers to consumers have waned as the world is learning to live with COVID-19. This is why Holista is focusing on commercial/industrial applications for its technology, although the lead times for B2B sales are significantly longer.

## **Outlook**

While several macroeconomic factors continue to pose a headwind to the global economy, Holista believes it is well placed to overcome the challenges and that the Group's short- and longer-term outlook is generally positive. This view is based on the following factors:

**Company Update (continued)**

- **Organic growth in key markets:** Holista's largest divisions are leveraged to fast growing markets due to increasing demand for health products. For instance, the global health food ingredients market is forecast to grow at a compound annual growth rate (CAGR) of 7.8% from 2022 to 2027 to reach US\$146.3 billion<sup>1</sup>, while the global vitamins and supplements market is forecast to grow at a CAGR of 6.1% from 2021 to 2028 to hit US\$196.6 billion<sup>2</sup>.
- **Potential peak in inflation:** Cost pressures are starting to ease from 2022. If this trend continues, as many economists are forecasting, it will be a positive development for Holista's margins and will better position the Group to deliver further operating cash flow improvements in the current financial year.
- **Rebound in Dietary Supplement Division:** As outlined above, there has been a marked improvement in sales of Holista's market-leading supplements in Malaysia following the soft December quarter. The rebound in January has persisted and management is anticipating a stronger result for this division in the current quarter, if not beyond.
- **Reopening of the Chinese economy:** Holista's previous attempts to enter the Chinese market through partnerships had been stalled by the country's pandemic controls. But with the Chinese economy reopening following the end of the government's "Zero Covid" policy, there has been encouraging progress with the following projects:
  - **Collagen**

Activities with Guangzhou Sinbio Cosmetic Co Ltd, a Chinese State-Owned Enterprise (SOE), have now recommenced with the shipment of more collagen (now approved for import into China) for product development and testing. The next shipment will be from Perth as opposed to Kuala Lumpur, Malaysia.
  - **Natshield™ / Protectene**

The products are currently being developed for the Chinese market and are pending registration with China's regulators. Holista's all-natural products can be used as sanitisers, nasal balms, and as a consumable in the M3 system, which is developed to disinfect quarantine centres, offices, homes, and cars (hardware prototypes are undergoing testing).

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**Holista Colltech Limited**

**ABN 24094515992**

**Preliminary Final Report - 31 December 2022**

**Holista Colltech Limited**  
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**31 December 2022**

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**Holista Colltech Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2022**

	Note	Consolidated 2022 \$	2021 \$
<b>Revenue from contracts with customers</b>	1	8,241,225	8,023,129
Other income	2	73,388	100,400
<b>Expenses</b>			
Changes in inventories of finished goods and work in progress		565,881	460,942
Raw materials and consumables used		(4,334,259)	(3,890,425)
Distribution costs and other costs of sales		(480,757)	(478,278)
Advertising and promotion		(553,444)	(509,560)
Consultancy and professional fees		(771,174)	(882,975)
Depreciation and amortisation expense		(273,952)	(199,999)
Employee benefits	3	(2,703,629)	(2,965,656)
Finance costs		(66,528)	(46,604)
Foreign exchange (loss)		45,373	(12,092)
Impairment	3	(134,252)	(144,515)
Research and development		(68,875)	(205,124)
Share-based payments expense		-	360,109
Other expenses	3	(903,739)	(813,356)
<b>Loss before income tax expense</b>		(1,364,742)	(1,204,004)
Income tax expense		(157,387)	(153,030)
<b>Loss after income tax expense for the year</b>		(1,522,129)	(1,357,034)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation		22,491	49,709
Other comprehensive income for the year, net of tax		22,491	49,709
<b>Total comprehensive income for the year</b>		<u>(1,499,639)</u>	<u>(1,307,325)</u>
Loss for the year is attributable to:			
Non-controlling interest		(69,228)	(100,825)
Owners of Holista Colltech Limited		(1,452,902)	(1,256,209)
		<u>(1,522,130)</u>	<u>(1,357,034)</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(151,287)	(344,067)
Owners of Holista Colltech Limited		(1,348,352)	(963,258)
		<u>(1,499,639)</u>	<u>(1,307,325)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(0.52)	(0.46)
Diluted loss per share		(0.52)	(0.46)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Holista Colltech Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2022**

	Note	Consolidated 2022 \$	Consolidated 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	117,528	1,213,093
Trade and other receivables	5	1,321,879	1,795,140
Inventories	6	1,411,962	1,521,917
Income tax refund due	8	68,205	49,155
Other current assets	9	1,146,780	1,007,569
<b>Total current assets</b>		<u>4,066,354</u>	<u>5,586,874</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	898,361	1,010,263
Right-of-use assets	7	335,884	113,413
Intangible assets	11	104,610	134,157
Deferred tax asset		67,831	83,166
<b>Total non-current assets</b>		<u>1,406,686</u>	<u>1,340,999</u>
<b>Total assets</b>		<u>5,473,040</u>	<u>6,927,873</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	2,322,200	2,746,596
Contract liabilities	13	-	5,245
Borrowings	14	471,221	364,882
Leases	15	27,183	13,521
Short-term provisions		40,529	34,496
<b>Total current liabilities</b>		<u>2,861,133</u>	<u>3,164,740</u>
<b>Non-current liabilities</b>			
Borrowings	14	469,428	417,774
Leases	15	252,085	94,146
Short-term provisions		333,819	275,000
<b>Total non-current liabilities</b>		<u>1,055,332</u>	<u>786,920</u>
<b>Total liabilities</b>		<u>3,916,465</u>	<u>3,951,660</u>
<b>Net assets</b>		<u>1,556,575</u>	<u>2,976,213</u>
<b>Equity</b>			
Issued capital	16	21,787,478	21,707,478
Reserves	17	(99,952)	(204,502)
Accumulated losses		(18,858,234)	(17,405,332)
Equity attributable to the owners of Holista Colltech Limited		2,829,292	4,097,644
Non-controlling interest		(1,272,717)	(1,121,431)
<b>Total equity</b>		<u>1,556,575</u>	<u>2,976,213</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Holista Colltech Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 31 December 2022**

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Share-based Payments Reserves</b> <b>\$</b>	<b>Foreign Currency Translation Reserve</b> <b>\$</b>	<b>Accumulated Losses</b> <b>\$</b>	<b>Non-controlling interest</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 January 2021	21,707,478	360,109	(497,453)	(16,149,123)	(777,364)	4,643,647
Loss after income tax expense for the year	-	-	-	(1,256,209)	(100,825)	(1,357,034)
Other comprehensive income for the year, net of tax	-	-	292,951	-	(243,242)	49,709
Total comprehensive income for the year	-	-	292,951	(1,256,209)	(344,067)	(1,307,325)
Reversal of Shares based payment expenses	-	(360,109)	-	-	-	(360,109)
Balance at 31 December 2021	<u>21,707,478</u>	<u>-</u>	<u>(204,502)</u>	<u>(17,405,332)</u>	<u>(1,121,431)</u>	<u>2,976,213</u>

<b>Consolidated</b>	<b>Issued capital</b> <b>\$</b>	<b>Share-based Payments Reserves</b> <b>\$</b>	<b>Foreign Currency Translation Reserve</b> <b>\$</b>	<b>Accumulated Losses</b> <b>\$</b>	<b>Non-controlling interest</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 January 2022	21,707,478	-	(204,502)	(17,405,332)	(1,121,431)	2,976,213
Loss after income tax expense for the year	-	-	-	(1,452,902)	(69,228)	(1,522,130)
Other comprehensive income for the year, net of tax	-	-	104,550	-	(82,058)	22,492
Total comprehensive income for the year	-	-	104,550	(1,452,902)	(151,267)	(1,499,638)
Share Issue Capital	80,000	-	-	-	-	80,000
Balance at 31 December 2022	<u>21,787,478</u>	<u>-</u>	<u>(99,952)</u>	<u>(18,858,234)</u>	<u>(1,272,717)</u>	<u>1,556,575</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Holista Colltech Limited**  
**Consolidated statement of cash flows**  
**For the year ended 31 December 2022**

	Note	Consolidated 2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		9,117,823	7,119,182
Payments to suppliers and employees		(10,053,417)	(8,678,056)
Finance costs		(66,528)	(46,604)
Interest received		854	9,934
Income tax paid		(159,285)	(169,503)
Government grants		41,357	88,979
		<u>(1,119,196)</u>	<u>(1,676,068)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(76,971)	(38,124)
Purchase of intellectual property		-	(3,333)
Proceeds from disposal of property, plant and equipment		31,177	-
Refund/(Increase) of deposits/investments		(118,163)	91,809
		<u>(163,957)</u>	<u>50,352</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	16	80,000	-
Proceeds from/(Repayment of) borrowings, net		144,016	131,935
Repayment of lease		(37,140)	(22,441)
Share issue transaction costs		-	-
		<u>186,876</u>	<u>109,494</u>
Net cash from financing activities		<u>186,876</u>	<u>109,494</u>
Net (decrease)/increase in cash and cash equivalents		(1,096,277)	(1,516,222)
Cash and cash equivalents at the beginning of the financial year		1,213,093	2,725,237
Change in foreign currency held		711	4,078
		<u>711</u>	<u>4,078</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>117,527</u></u>	<u><u>1,213,093</u></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**Holista Colltech Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 1. Revenue from contracts with customers**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Revenue from contracts with customers	<u>8,241,225</u>	<u>8,023,129</u>

**Note 2. Other income**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Gain on disposal of property, plant and equipment	31,177	-
Government Grants – Research and development	-	51,657
Government Grants – Cashflow Boost and JobKeeper Subsidy	-	9,600
Government Grants – Forgivable loan	41,357	27,722
Interest income	854	10,531
Other income	-	890
Other income	<u>73,388</u>	<u>100,400</u>

**Note 3. Loss before income tax**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Impairment</i>		
Impairment on credit losses	<u>134,252</u>	<u>144,515</u>
Total impairment	<u>134,252</u>	<u>144,515</u>
<i>Other Expenses</i>		
Compliance and regulatory costs	164,963	267,779
Insurance	92,723	120,394
Other expenses	16,179	41,383
Stock written off	228,976	-
Collie factory maintenance costs	109,825	95,880
Audit fees	108,989	90,288
Office expense and other occupancy costs	<u>182,084</u>	<u>197,632</u>
Total Other Expenses	<u>903,739</u>	<u>813,356</u>
<i>Employee Benefit Expense Short-term</i>		
Salary and wages, including directors fees	1,946,537	1,935,235
Superannuation	249,448	243,742
Medical and Insurance	81,185	82,104
Bonus and Incentive	171,151	478,946
Travel	126,810	125,342
Others	<u>128,498</u>	<u>100,287</u>
<i>Total Employee Benefit Expense Short-term</i>	<u>2,703,629</u>	<u>2,965,656</u>

**Holista Colltech Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 4. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash at bank	117,528	513,012
Cash on deposit	-	700,081
	<u>117,528</u>	<u>1,213,093</u>

**Note 5. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	3,293,464	3,669,889
Less: Allowance for expected credit losses	(2,090,325)	(1,934,523)
	<u>1,203,139</u>	<u>1,735,366</u>
Other receivables	60,620	5,507
Amounts advanced to a related party	180,623	180,623
Amounts advanced to a third party	294,534	294,534
Less: allowance for expected credit losses	(475,157)	(475,157)
Interest receivable	58,120	54,267
	<u>1,321,879</u>	<u>1,795,140</u>

**Note 6. Inventories**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Raw materials - at cost	600,124	459,258
Finished goods - at cost	811,838	649,543
Stock-in-transit	-	413,116
	<u>1,411,962</u>	<u>1,521,917</u>



**Holista Colltech Limited**  
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**Note 7. Right-of-use assets**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Properties	127,665	86,865
Motor vehicles	208,219	26,548
	<u>335,884</u>	<u>113,413</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

<b>Consolidated</b>	Properties \$	Motor vehicles \$	Total \$
Balance at 1 January 2022	86,865	26,548	113,413
Additions	58,820	243,572	302,291
Exchange differences	-	(7,278)	(7,278)
Depreciation expense	(18,019)	(54,622)	(72,641)
Balance at 31 December 2022	<u>127,665</u>	<u>208,219</u>	<u>335,884</u>

**Note 8. Income tax refund due**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Income tax refund due	68,205	49,155
	<u>68,205</u>	<u>49,155</u>

**Note 9. Other current assets**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Prepayments	365,093	318,703
Security deposits	94,904	33,616
Other deposits	15,048	14,518
Loan to a related party	547,542	511,246
Right-of-return assets	124,193	129,486
	<u>1,146,780</u>	<u>1,007,569</u>

**Holista Colltech Limited**  
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**Note 10. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Freehold land and buildings	1,051,694	1,037,706
Less: Accumulated depreciation and impairment	<u>(364,159)</u>	<u>(339,933)</u>
	687,535	697,773
Plant and equipment	2,089,353	2,041,094
Less: Accumulated depreciation	<u>(1,878,527)</u>	<u>(1,728,604)</u>
	210,826	312,490
Total property, plant and equipment	<u>898,361</u>	<u>1,010,263</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Freehold land and buildings \$	Plant and equipment \$	Total \$
Balance at 1 January 2021	703,322	409,168	1,112,490
Additions	-	38,124	38,124
Exchange rate differences	13,834	610	14,444
Depreciation expense	<u>(19,383)</u>	<u>(135,412)</u>	<u>(154,795)</u>
Balance at 31 December 2021	697,773	312,490	1,010,263
Additions	-	44,134	44,134
Exchange rate differences	9,406	420	9,826
Depreciation expense	<u>(19,644)</u>	<u>(146,218)</u>	<u>(165,862)</u>
Balance at 31 December 2022	<u>687,535</u>	<u>210,826</u>	<u>898,361</u>

**Note 11. Intangible assets**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Goodwill	<u>-</u>	<u>-</u>
Patents and licences	224,031	221,052
Less: Accumulated amortisation	<u>(119,422)</u>	<u>(86,895)</u>
	104,609	134,157
	<u>104,610</u>	<u>134,157</u>

**Holista Colltech Limited**  
**Notes to the consolidated financial statements**  
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**Note 11. Intangible assets (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

<b>Consolidated</b>	Patents and licences \$	Total \$
Balance at 1 January 2021	146,471	146,471
Additions	3,333	3,333
Exchange differences	2,881	2,881
Transfers (out)	(3,333)	(3,333)
Amortisation expense	(15,195)	(15,195)
	<hr/>	<hr/>
Balance at 31 December 2021	134,157	134,157
Exchange differences	(14,148)	(14,148)
Amortisation expense	(15,400)	(15,400)
	<hr/>	<hr/>
Balance at 31 December 2022	<u>104,609</u>	<u>104,609</u>

**Note 12. Trade and other payables**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,128,239	1,370,345
Accruals	650,098	668,649
Dividends payable	25,419	23,734
Refund liability	335,656	340,753
Other payables	182,788	343,115
	<hr/>	<hr/>
	<u>2,322,200</u>	<u>2,746,596</u>

**Note 13. Contract liabilities**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Current liabilities</i>		
Advance deposits and deferred revenue	<hr/>	<hr/>
	-	5,245
	<u>                    </u>	<u>                    </u>

**Holista Colltech Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 14. Borrowings**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Term loan	21,022	20,029
Banker's acceptance	434,812	330,022
Loan from related parties	15,387	14,367
Other borrowings	-	464
	<u>471,221</u>	<u>364,882</u>
<i>Non-current liabilities</i>		
Term loan	469,428	417,774
	<u>940,649</u>	<u>782,656</u>

**Note 15. Leases**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Current	<u>27,183</u>	<u>13,521</u>
<i>Non-current liabilities</i>		
Non-current	<u>252,085</u>	<u>94,146</u>
	<u>279,268</u>	<u>107,667</u>

**Note 16. Issued capital**

	<b>Consolidated</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>278,800,067</u>	<u>275,349,087</u>	<u>21,787,478</u>	<u>21,707,478</u>

**Note 17. Reserves**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	<u>(99,952)</u>	<u>(204,502)</u>
	<u>(99,952)</u>	<u>(204,502)</u>

**Note 18. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.